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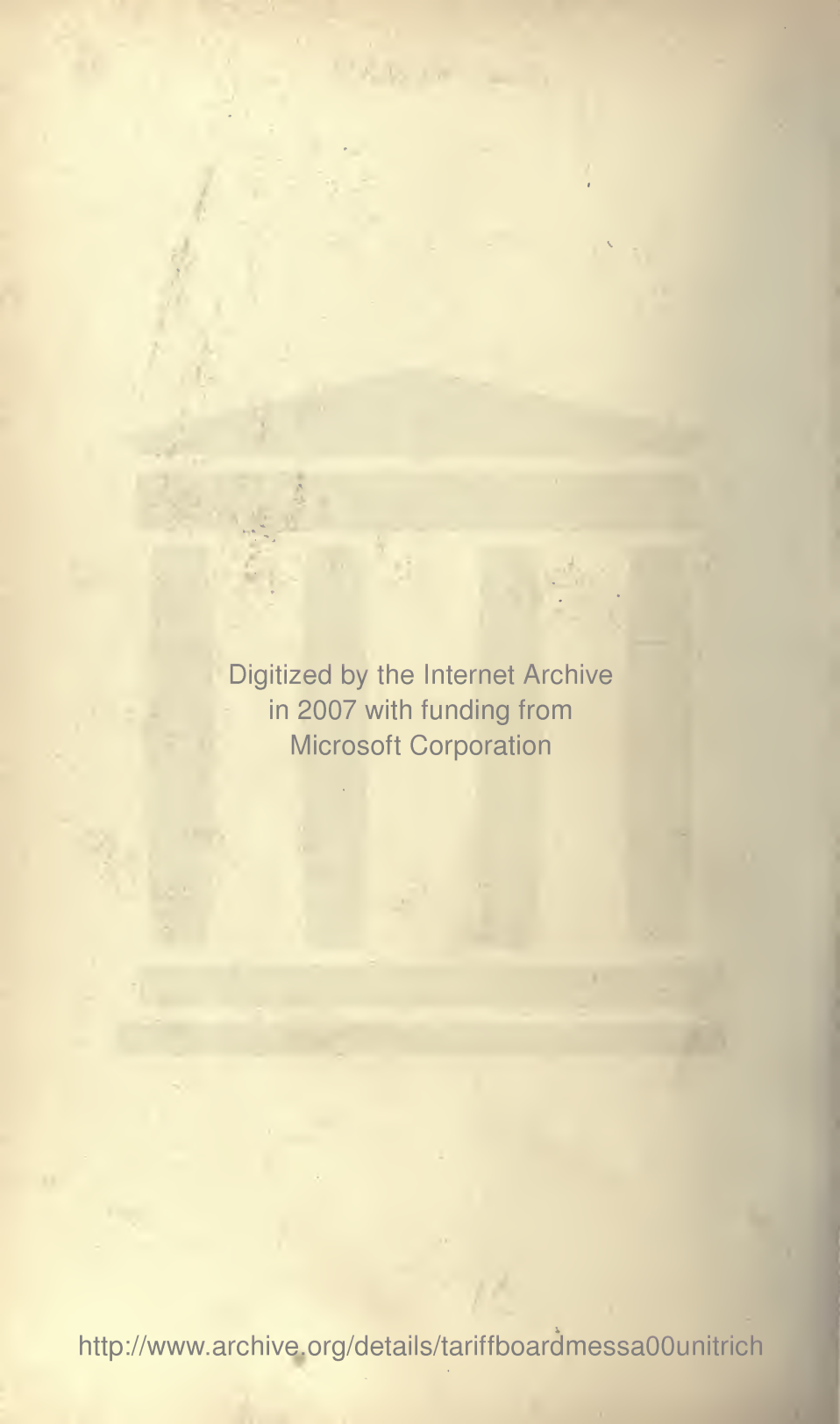
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61ST CONGRESS, 2d Session. } SENATE. { DOCUMENT No. 463.

THE TARIFF BOARD.

MESSAGE

FROM THE

PRESIDENT OF THE UNITED STATES,

URGING UPON CONGRESS

THE APPROPRIATION OF $250,000 FOR THE USE OF THE TARIFF BOARD, TOGETHER WITH THE STATEMENT OF THE CHAIRMAN OF THE TARIFF BOARD.

MARCH 28, 1910.—Read, referred to the Committee on Finance, and ordered to be printed.

To the Senate and House of Representatives:

In my annual message in discussing the tariff act of August 5, 1909, I referred to the maximum and minimum clause and discussed the power reposed in the President in that clause, and expressed the opinion that it would enable the President and the State Department, through friendly negotiations, to secure the elimination from the laws and the practice under them in any foreign country of that which is unduly discriminatory against the United States. I am glad to say that negotiations under that clause are now substantially completed with all the nations of the world with results that are satisfactory; and I come now to the further functions of the Tariff Board appointed by virtue of the power given the President in the maximum and minimum clause. Upon the subject of this Tariff Board I used the following language:

The new tariff law enables me to appoint a tariff board to assist me in connection with the Department of State in the administration of the minimum and maximum clause of the act and also to assist officers of the Government in the administration of the entire law. An examination of the law and an understanding of the nature of the facts which should be considered in discharging the functions imposed upon the Executive show that I have the power to direct the Tariff Board to make a comprehensive glossary and encyclopedia of the terms used and articles embraced in the tariff law, and to secure information as to the cost of production of such goods in this country and the cost of their production in foreign countries. I have therefore appointed a Tariff Board consisting of three members and have directed them to perform

all the duties above described. This work will perhaps take two or three years, and I ask from Congress a continuing annual appropriation equal to that already made for its prosecution. I believe that the work of this board will be of prime utility and importance whenever Congress shall deem it wise again to readjust the customs duties. If the facts secured by the Tariff Board are of such a character as to show generally that the rates of duties imposed by the present tariff law are excessive under the principles of protection as described in the platform of the successful party at the late election, I shall not hesitate to invite the attention of Congress to this fact and to the necessity for action predicated thereon. Nothing, however, halts business and interferes with the course of prosperity so much as the threatened revision of the tariff, and until the facts are at hand, after careful and deliberate investigation, upon which such revision can properly be undertaken, it seems to me unwise to attempt it. The amount of misinformation that creeps into arguments pro and con in respect to tariff rates is such as to require the kind of investigation that I have directed the Tariff Board to make, an investigation undertaken by it wholly without respect to the effect which the facts may have in calling for a readjustment of the rates of duty.

Upon consulting the members of the Tariff Board I find that to carry out the purpose announced in my annual message it will be necessary to have an appropriation by the Congress, immediately available, for the current and the next fiscal year, of $250,000, and I respectfully urge upon Congress this appropriation. I have directed the Secretary of the Treasury to submit an estimate of the same in the statutory method. The statement of the chairman of the Tariff Board, showing the necessity for the amount asked, is herewith submitted.

WM. H. TAFT.

THE WHITE HOUSE, *March 28, 1910.*

OFFICE OF THE TARIFF BOARD,
TREASURY BUILDING,
Washington, March 26, 1910.

THE PRESIDENT:

In accordance with your instructions I have the honor to submit a statement regarding the needed appropriation for the Tariff Board for the year ending June 30, 1911.

In view of the fact that until the 31st of March the chief work of the board has been an investigation of foreign tariffs and regulations, in regard to the possible existence of undue discrimination against the products of the United States, the present appropriation of $75,000 has been adequate for the work immediately in hand. For this work a large staff of experts has not been necessary. But a larger appropriation will be needed to carry on the investigation of trade conditions and costs of production in this country and abroad, intended both to make clear the character of the concessions granted by the minimum tariff of the United States, and of those granted in return by foreign countries, and also "to assist the officers of the Government in the administration of the customs laws."

The existing appropriation is merely adequate for the maintenance of the present force, including the salaries of the three members of the board, the statistician, the executive secretary, the reporter, three clerks and an assistant, the maintenance of office expenses, and all necessary traveling expenses in the case of investigations undertaken elsewhere by this force. To make such investigations, however, in any way satisfactory or complete it is essential that the board shall be able to secure the services of experts of the very first order and of long experience in the practical study of cost accounts in particular

industries. The work of inexperienced or second-rate men would be worse than useless. In view of the demand for the services of such experts on the part of business concerns the success of this work on the part of the Tariff Board would depend upon its ability to offer sufficient remuneration to secure such persons for the government service.

It should be carefully noted that it is not proposed to have a permanent staff of high-salaried persons, involving a permanent salary list; but rather to employ special experts for special investigations covering such a period, whether one month or six months, as may be necessary to the work. Owing to the fact that such employment would be only temporary, a higher relative rate would have to be paid than in the case of permanent tenure. The board should be enabled to secure the services of 20 experts on an average at any one time. One hundred thousand dollars would probably suffice for this item alone. In case this amount should not prove adequate the number of investigators would necessarily be reduced. The employment of such a force would involve, further, the necessity of having two highly trained experts in the field of cost accounting in the permanent service of the board, to direct and guide these investigations, and to handle the large mass of individual reports. This in turn would involve further clerk hire and rent for office. Such additional work would require, it is estimated, the sum of $25,000. A further sum of at least $50,000 would be needed for the traveling expenses of the expert agents employed and for special contingencies that might arise.

It is the opinion of the board, therefore, that there should be an appropriation of $250,000, as follows:

Appropriation to cover all expenses of present force	$75,000
Two permanent accounting experts, additional clerks, stenographers, and rent of offices	25,000
Special agents for expert investigations, traveling expenses for such agents, and contingent fund	150,000

We have tried to keep these estimates down to the lowest figure consistent with the securing of satisfactory results; and believe it desirable to proceed slowly in such investigations, in order that no public moneys shall be expended except for service of the highest order giving results of genuine value. If experience should prove that it is impossible to secure, during the year, enough men of the quality referred to, to warrant the utilization of this appropriation, the expenses would thereby be reduced. Under no circumstances would the board feel warranted in expending any part of the appropriation in the securing of material regarding the accuracy of which there could be any question.

Respectfully,

HENRY C. EMERY,
Chairman.

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